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April 8, 2015

Arizona Corporation Commission

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Susan Bitter Smith, Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona

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AZ CORP COMMISSION
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Re: Docket No. E-00000V-13-0070
RESOURCE PLANNING AND PROCUREMENT IN 2013 AND 2014

Dear Chairman Bitter Smith,

EnerNOC, Inc., (EnerNOC) respectfully files these comments on Arizona's resource planning and procurement process. These comments follow the request in the March 24, 2015, letter sent to the above Docket.

EnerNOC is a leading provider of cloud-based energy intelligence services (EIS) to thousands of enterprise customers and utilities globally. EnerNOC's EIS solutions for utilities help to maximize customer engagement and the value of demand-side resources, including demand response and energy efficiency, focusing exclusively on the commercial, institutional, and industrial end-use segments. EnerNOC has extensive experience in Arizona, including programs with utilities and over 200 business customers.

In your letter to this docket, dated March 24, 2015, you requested for interested stakeholders to submit suggestions to you for your consideration, in addition to the Staff Report issued on December 19, 2014. EnerNOC would like to relay three suggestions to improve the Integrated Resource Plan (IRP) process.

Suggestions:

1. Hold a preliminary workshop or workshops as part of the utility IRP process

EnerNOC entirely supports the suggestion outlined in your letter to hold preliminary workshops during the utility RFP process. This would build on the purpose of an IRP outlined in the 2014 IRP assessment¹ - including non-utility stakeholders in the decision-making process, particularly around the development of potential DSM options and how to integrate them – and a recommendation for all load serving entities in the same document². This would allow all

¹ *Assessment of the 2014 Integrated Resource Plans of the Arizona Electric Utilities*. Global Energy & Water Consulting, LLC and Evans Power Consulting, Inc. December 19, 2014., at p. 9.

² *Id.*, at p. 114.

relevant parties, whether representing the utility, the commission, consultants or third parties, to ensure that the foundational assumptions and expectations of the IRP process are reasonable. This is especially relevant over the next twelve months as Arizona grapples with rapidly changing expectations for energy resources. While such meetings will not resolve tensions among the parties relative to the assumptions, it is an opportunity to provide advance information to the utility for its consideration. This information is of limited use after the study is completed and the assumptions are already "baked-in" to the equation.

2. Integrate DSM and DSM plans into IRP forecasts

Arizona's utilities implement a wide range of DSM programs, with net incremental savings in 2013 representing over 1.7% of retail sales. The incremental impact of past, existing, and future efforts, including the current DSM plans, should become a formal part of the IRP process to ensure that a key resource, energy efficiency, is not being overlooked. In addition, the types and pace of other energy efficiency strategies (including codes and standards) should be clearly identified and delineated.

3. Include additional scenarios such as an enhanced demand side management scenario.

The Arizona utilities should explore additional scenarios as part of their IRPs. For example, an enhanced demand side management scenario could explore the benefits of high levels of energy efficiency and demand response investment, beyond that required by the Energy Efficiency Rule. Scenarios that assess less successful achievement of the Energy Efficiency Rule would be helpful in bounding the range of potential resources needs relative to demand-side activities. Similarly, scenarios could be designed to understand the potential impact of possible federal policies, such as compliance with EPA 111.d. requirements.

We look forward to continuing to work with the Arizona Corporation Commission on this issue.

Respectfully submitted,

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